



San Marcos Journey

City of San Marcos
2004 Annual Report





Our Mission

CITY OF SAN MARCOS

THE GOALS OF THE CITY GOVERNMENT ARE TO CREATE A STRONG COMMUNITY, FOSTER A HIGH QUALITY OF LIFE, PROMOTE NEIGHBORHOOD INTEGRITY, SUPPORT SOUND COMMUNITY AND ECONOMIC DEVELOPMENT, CONSERVE AND PROTECT THE CITY'S NATURAL RESOURCES AND THE ENVIRONMENT, AND SAFEGUARD THE HEALTH, SAFETY AND WELFARE OF THE CITY'S RESIDENTS.



CITY COUNCIL – 2004-2005

Susan Narvaiz, Mayor
John Thomaides, Mayor Pro Tem
Bill Taylor, Deputy Mayor Pro Tem
Ed Mihalkanin, Place 1
Gaylord Bose, Place 2
Daniel Guerrero, Place 3
John Diaz, Place 5

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DIRECTORS TEAM

Dan O'Leary
City Manager

Mark Taylor
City Attorney

Janis K. Womack
City Clerk

Ross Allegro
Municipal Court Judge

Collette Jamison
Administration

Jack Doughty
Airport

Bob Higgs
Electric Utility

Laurie Anderson
Environment & Engineering

Mark Brinkley
Environmental Health

Rodney Gonzales
Finance

Mike Baker
Fire & Rescue

Carolyn Linér
Human Resources

Stephanie Langenkamp
Library

Rodney Cobb
Parks & Recreation

Carol Barrett
Planning & Development

Howard Williams
Police

Richard Mendoza
Public Works

Tom Taggart
Water/ Wastewater Utility



Shapes Our Journey

DEAR NEIGHBOR:

The City of San Marcos shares a great journey with the people of our community. The 2004 Annual Report focuses on the path we are taking—the mission that guides us, where we have come from, and where we are going.

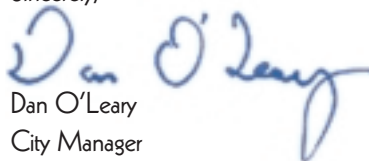
Our City Council and staff dedicate our energies to support a high quality of life for today's citizens as we look ahead to the future. San Marcos offers us a perfect home—a beautiful setting, a dynamic location in the heart of Texas, a proud history and an optimistic future.

San Marcos Journey offers a view of our quality of life, as well as where we are heading in the future. Our report includes the efforts of the chambers of commerce, our tourism industry, and our major educational institutions—all significant contributors to the economic life of San Marcos

The City of San Marcos plays many important roles in our community. We believe in our mission and responsibilities to our citizens and are grateful for the opportunities we have to make a difference.

Thank you for reading the 2004 Annual Report. You will discover that San Marcos is more than just a place—it's home.

Sincerely,


Dan O'Leary
City Manager





Our Journey Begins

THE MYSTICAL ALLURE OF A RIVER

The springfed San Marcos River bubbling from the Edwards Aquifer and meandering past lush banks has attracted people long before recorded human history. Archeological artifacts found in and around the river date back to the Clovis Indian age 12,000 to 14,000 years ago.

The San Marcos River has had a mystical allure through ages, drawing Native American hunter-gatherers, Spanish explorers, Nineteenth Century pioneers, and present inhabitants who luxuriate in its constant 72 degree temperature and swift current. Public parks line almost the entire length of the river as it flows through San Marcos.

The river represents the spirit of a community that treasures its history, rare environment and natural beauty. The river offers a fragile aquatic habitat for several unique fish and plant species living nowhere else on Earth.

Texas State University operates Aquarena Center at the headwaters of the springfed river for visitors to marvel at the beautiful springs that pour from the underground aquifer. The San Marcos River provides a special habitat for unique wildlife—and for the people who enjoy and treasure one of the great natural wonders in Texas.

THE LEGACY OF A SAINT

The discovery of a beautiful springfed river by Spanish explorer Alonso de Leon's men on St. Mark's Day in 1689 inspired naming the San Marcos River in honor of the patron saint.

The first modern settlement of Villa San Marcos de Neve was established in 1808 by colonists from Mexico. The settlement was abandoned in 1812 following devastating floods and repeated Indian raids. Juan Martin de Veramendi, later governor of Mexico's Texas, received a "two league" grant of land on the river. This land later became the heart of the town of San Marcos.

Hays County was created in 1848 and named in honor of Capt. Jack C. Hays, a noted Indian fighter and Texas Ranger. City founders laid out the town in 1851 and incorporated the city in 1877.

San Marcos has grown to a population in 2004 of 44,769 residents. Texas State University, founded in 1899, grew from a rural teachers' college to the sixth largest university in Texas. Its enrollment of 26,366, including 13,500 commuters from Central Texas, brings our bustling daily population to more than 57,000 people.

Today San Marcos is widely known for our high quality of life and beautiful natural environment. Our economy flourishes with a strong foundation of education, light industry, tourism—and the best outlet shopping in the Southwestern United States.

SAN MARCOS FACT: THE WATER UTILITY PROVIDES ABOUT 2 BILLION GALLONS OF WATER TO OUR RESIDENTS A YEAR—OR ENOUGH WATER TO FILL A FOOTBALL STADIUM TO A HEIGHT OF 3,000 FEET.





Our Journey Today

CITY OF SAN MARCOS: PEOPLE HELPING PEOPLE

City government in San Marcos, Texas offers grassroots, down home service to our community. We have a popularly elected seven-member City Council, 25 boards and commissions with more than 250 citizen volunteers, and 476 employees dedicated to public service.

San Marcos offers a full service municipal government. In addition to general governmental services, we also operate an electric distribution system, water production and distribution system, a wastewater collection and treatment system, and a general aviation municipal airport. The City oversees a Women, Infants and Children nutrition program for five counties.

The City of San Marcos provides police and fire protection, parks, recreation, library, environmental health, planning, engineering, and public works. We also provide services

to the public and internally through our administrative, legal, election, records, human resources, and finance departments.

We are devoted to maintaining a high quality of life for San Marcos residents in a beautiful setting at the gateway to the Texas Hill Country. We are looking to the future for economic growth compatible with the rich heritage and high quality life style of our community.

GREAT NEIGHBORHOODS AND PARKS

San Marcos is a city of neighborhoods. The City of San Marcos supports neighborhoods in a wide variety of ways by involving residents in community master planning, neighborhood cleanups, neighborhood watch programs, recreation, and development of neighborhood parks. Community development programs and support of housing initiatives maintain a focus on where our people live—at home.

Nearly 800 acres of parkland make San Marcos a city of parks. They are located in neighborhoods, along the river and in natural greenbelts that preserve the rugged Hill Country habitat. The Public Library, San Marcos Activity Center, Dunbar Community Center, Juan Veramendi Plaza, and other facilities are popular havens for education, personal development and celebration. The City's recreation programs appeal to people of all ages.

Concerts in the park, youth sports and community celebrations make San Marcos a family-centered community. Annual celebrations include Cinco de Mayo, Juneteenth, Summerfest, the Texas Water Safari, and Sights & Sounds of Christmas attracting thousands of residents and visitors alike.

SAN MARCOS FACT: SAN MARCOS FIRE & RESCUE ANSWERED 1,597 CALLS FOR ASSISTANCE IN 2003 RANGING FROM STRUCTURE FIRES AND MEDICAL CALLS TO RESCUING A CAT FROM A TREE.



PLACES TO SEE

The Texas Hill Country begins where the blackland prairie ends-- in San Marcos, Texas. Visitors enjoy the springfed San Marcos River, a longtime favorite for tubing and relaxation. The river's source is at the fresh water springs of Aquarena Center where you can ride glass bottom boats and discover the unique plant and animal species that live in the crystal clear San Marcos River. Aquarena features several historical sites within the park, including a grist mill and the ruins of a Spanish mission.

At Wonder World, you can explore an earthquake-formed cave and ride to the peak of the 110-foot Tejas Observation Tower to experience the beauty of the Texas Hill Country like never before. You can also take a unique train ride through Mystery Mountain into the wildlife petting park.

Other San Marcos attractions include the Commemorative Air Force Museum at the Airport, the Calaboose Museum of African-American History, the Millie Seaton Collection of Dolls and Toys, and the Southwestern Writers Collection at Texas State. The new LBJ Museum being

developed downtown commemorates the years President Lyndon Johnson spent in San Marcos as a student at Texas State University.

History buffs and shoppers enjoy the Downtown Historic District with its restored 19th Century buildings, courthouse square, and unique gift shops and restaurants. Residential historic districts include the San Antonio Street, Belvin Street, and Dunbar Heritage and Museum District.

The best outlet shopping in the southwestern United States is found at Prime Outlets-San Marcos Center and Tanger Outlet Center—more than 1 million square feet of brand name stores offering discounts of up to 70%. The malls attracted more than 6 million visitors in 2003.

San Marcos is a live music town where people enjoy Country Western, Americana, and Tejano music every night of the week at several local honky tonks—places where great musicians are created. Texas State University offers cultural events in music, theater and art as well as sporting events.

SAN MARCOS PROFILE 2004

Population
44,769

Form of Government
Council-Manager

Incorporated
1877

Charter Adopted
1967

Assessed Property Values
\$1,736,725,827

City Budget
\$85.1 million

City Tax Rate
\$0.471

Parkland
793 acres

Building Permits (2003)
\$60,464,187

Median Age (Hays County)
28.94 years

Median Family Income
\$45,400

Average Daily Temperature
67.8°

SAN MARCOS FACT: TOURISM IS A MAJOR CONTRIBUTOR TO THE SAN MARCOS AND THE TEXAS ECONOMY. IN 2002, \$119 MILLION TOURISM DOLLARS WERE SPENT IN HAYS COUNTY. THE SAN MARCOS HOTEL INDUSTRY GENERATED \$12,752,230 GROSS RECEIPTS AND COLLECTED \$881,279 IN LOCAL HOTEL OCCUPANCY TAX.



TOP 10 IN SAN MARCOS

TAXPAYERS

- 1 HEB Distribution Center
- 2 Grande Communications
- 3 Prime Outlets-San Marcos
- 4 Tanger Outlet Center
- 5 CFAN
- 6 CenturyTel
- 7 San Marcos Exchange LP
- 8 Thermon Manufacturing
- 9 Hillside Villas Ltd.
- 10 Lowes Home Centers, Inc.

TOP 10 EMPLOYERS

- | | |
|--------------------------------|-------|
| 1 Texas State University | 5,845 |
| 2 Prime Outlets-San Marcos | 1,400 |
| 3 Tanger Outlet Center | 1,400 |
| 4 San Marcos CISD | 1,000 |
| 5 Grande Communications | 803 |
| 6 Hunter Industries | 650 |
| 7 Central Texas Medical Center | 600 |
| 8 HEB Distribution Center | 480 |
| 9 City of San Marcos | 476 |
| 10 Wal-Mart Super Center | 435 |

TOP 10 MANUFACTURERS

- | | |
|---------------------------------|-----|
| 1 Hunter Industries | 650 |
| 2 HEB Distribution Center | 480 |
| 3 Butler Manufacturing | 225 |
| 4 Thermon Manufacturing | 177 |
| 5 CFAN | 175 |
| 6 Wide-Lite Corporation | 158 |
| 7 Heldenfels | 126 |
| 8 Goodrich Aerostructures Group | 120 |
| 9 Marshall Gas Controls | 80 |
| 10 Pixel Magic Imaging, Inc. | 68 |

This information is updated as of January, 2004

EDUCATIONAL INSTITUTIONS IN SAN MARCOS

PUBLIC

Texas State University
Austin Community College
San Marcos Consolidated I.S.D.
Gary Job Corps Center

PRIVATE

San Marcos Baptist Academy
Hill Country Christian School
San Marcos Preparatory School
Wonderland School
The Masters School
San Marcos Adventist Junior Academy

SAN MARCOS FACT: JAZZ GREAT EDDIE DURHAM—INVENTOR OF THE ELECTRIC GUITAR AND COMPOSER OF MANY EARLY JAZZ AND SWING HITS—WAS BORN IN SAN MARCOS IN 1906. HIS NEIGHBORHOOD HAS BEEN DESIGNATED AS THE DUNBAR HERITAGE AND MUSEUM DISTRICT

CALENDAR OF EVENTS September 04 through August 05

FIESTA 2004

Labor Day Weekend | September 3–5

JUNIOR TEXAS WATER SAFARI

Third Saturday of September ★ September 18

CENTRAL TEXAS SENIORS GOLF FEST

First Weekend in October ★ October 2 & 3

VETERANS' DAY PARADE

November 11

SIGHTS & SOUNDS OF CHRISTMAS

First Weekend in December ★ December 2–4

DAFFODIL DAYS

Second Saturday in March ★ March 12

GREAT RACE TEXAS

April – Date TBA

CENTRAL TEXAS GOLF FEST

April 22–24

FARMERS MARKET

Tuesdays, 3–6 p.m. May – November

VIVA! CINCO DE MAYO

First Weekend in May ★ May 5–7

HERITAGE HOME TOURS/ TOURS OF DISTINCTION

First Weekend in May ★ May 7 & 8

TEXAS NATURAL & WESTERN SWING FESTIVAL

Third Saturday of May ★ May 21

SPECIAL OLYMPICS TEXAS

May 19–22

SUMMER IN THE PARK CONCERT SERIES

Thursday Evenings June–July, 7:30 p.m.

TEXAS WATER SAFARI

Second Saturday of June ★ June 11

JUNETEENTH CELEBRATIONS

Dunbar Heritage Association ★ June 19

SUMMERFEST

July 4 Celebration on the San Marcos River





Our Journey Shared

CITY OF SAN MARCOS ★ DEBT SERVICE REQUIREMENTS ★ FISCAL YEAR 2002–2003

General Obligation Debt

Fiscal Year	Principal	Interest	Total
2003	\$2,515,000	\$1,666,497	\$4,181,497
2004	2,630,000	1,548,795	4,178,795
2005	2,740,000	1,421,850	4,161,850
2006	2,860,000	1,289,916	4,149,916
2007	3,020,000	1,149,935	4,169,935
2008-2012	9,265,000	4,196,405	13,461,405
2013-2017	7,965,000	2,250,063	10,215,063
2018-2022	4,520,000	462,930	4,982,930
Total	\$35,515,000	\$13,986,391	\$49,501,391

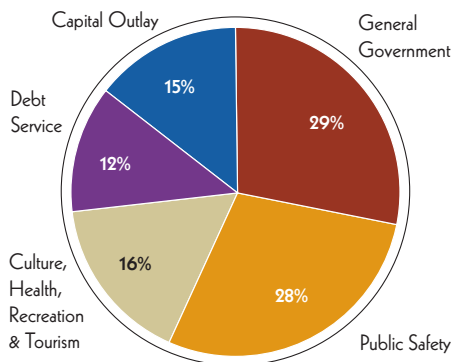
Water Waste/Water Utility Debt

Fiscal Year	Principal	Interest	Total
2003	\$2,435,000	\$2,384,981	\$4,819,981
2004	2,560,000	2,257,625	4,817,625
2005	2,695,000	2,107,930	4,802,930
2006	1,910,000	1,980,361	3,890,361
2007	1,995,000	1,888,364	3,883,364
2008-2012	11,925,000	7,876,425	19,801,425
2013-2017	14,875,000	4,718,865	19,593,865
2018-2020	10,475,000	1,089,230	11,564,230
Total	\$48,870,000	\$24,303,781	\$73,173,781

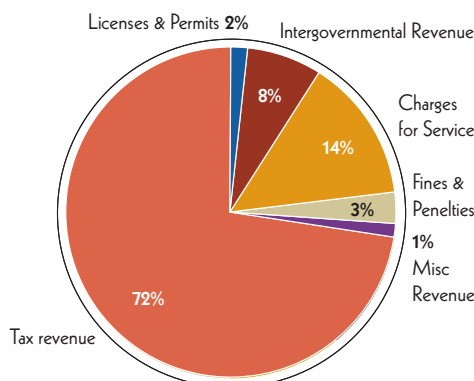
Electric Utility Debt

Fiscal Year	Principal	Interest	Total
2003	\$840,000	\$360,568	\$1,200,568
2004	735,000	467,808	1,202,808
2005	745,000	453,008	1,198,008
2006	770,000	435,933	1,205,933
2007	790,000	414,457	1,204,457
2008-2012	4,360,000	1,652,237	6,012,237
2013-2017	5,350,000	675,456	6,025,456
Total	\$13,590,000	\$4,459,467	\$18,049,467

GENERAL FUND EXPENDITURES



GENERAL FUND REVENUES





CITY OF SAN MARCOS ★ CONSOLIDATED BALANCE SHEET ★ FISCAL YEAR 2002–2003

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS	ELEC. UTILITY FUND	W & W/W UTILITY FUND	OTHER FUNDS	TOTAL FROM ALL FUNDS
Assets and Other Debits							
Cash	-	51,219	208,862	-	929,494	1,121,244	2,310,819
Investments	9,170,887	66,060	9,843,312	12,745,828	23,363,832	2,394,719	57,584,638
Accounts receivable	1,514,696	-	880	5,025,787	2,712,052	395,027	9,648,442
Taxes receivable	643,133	265,144	-	-	-	-	908,277
Loans receivable	-	-	-	-	-	147,348	147,348
Interest	6,702	-	6,667	14,750	15,849	3,500	47,468
Due from other governments	1,892,716	-	1,505,256	-	-	843,667	4,241,639
Due from other funds	-	1,214,053	26,303	314,392	452,635	79,080	2,086,463
Advances from other funds	-	-	-	1,184,166	-	-	1,184,166
Inventory	83,259	-	-	613,576	209,342	-	906,177
Other assets	-	-	-	10,586	2,744	10,699	24,029
Prepaid expenses	343,794	-	-	-	-	18,534	362,328
Bond issue costs	-	-	-	288,749	1,030,839	-	1,319,588
Fixed assets	-	-	-	15,485,736	70,103,751	7,261,825	92,851,312
Total Assets & Other Debits	13,655,187	1,596,476	11,591,280	35,683,570	98,820,538	12,275,643	173,622,694

Liabilities, Equity and Other Credits

Accounts payable	3,580,465	13,013	567,259	2,879,101	1,402,115	326,654	8,768,607
Due to other funds	1,826,128	357,095	141	1,235,058	1,495,359	544,351	5,458,132
Advances to other funds	-	-	-	-	1,184,166	-	1,184,166
Deferred revenue	771,496	265,136	-	-	-	562,254	1,598,886
Liabilities payable from restricted assets	-	-	-	2,107,040	3,280,660	-	5,387,700
Long-term debt	-	-	-	11,505,425	43,657,349	-	55,162,774
Accrued vacation and sick leave	-	-	-	107,809	98,817	-	206,626
Total Liabilities	6,178,089	635,244	567,400	17,834,433	51,118,466	1,433,259	77,766,891

Equity and Other Credits

Investment in capital assets, net of related debt	-	-	-	3,980,311	26,446,402	7,261,825	37,688,538
Retained earnings: unreserved	-	-	-	13,868,826	21,255,670	2,246,998	37,371,494
Reserved fund balance	427,053	961,232	11,023,880	-	-	818,629	13,230,794
Unreserved fund balance	7,050,045	-	-	-	-	514,932	7,564,977
Total Equity and Other Credits	7,477,098	961,232	11,023,880	17,849,137	47,702,072	10,842,384	95,855,803
Total Liabilities, Equity & Other Credits	13,655,187	1,596,476	11,591,280	35,683,570	98,820,538	12,275,643	173,622,694



CITY OF SAN MARCOS ★ CONSOLIDATED SUMMARY OF MAJOR REVENUES & EXPENSES ★ FISCAL YEAR 2002–2003

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS	ELEC. UTILITY FUND	W & W/W UTILITY FUND	OTHER FUNDS	TOTAL FROM ALL FUNDS
Beginning Fund Balance 10/01/02	6,312,880	1,204,961	13,873,571	17,949,184	46,567,310	10,253,891	96,161,797

Major Revenues

Taxes	21,397,546	3,923,925	-	-	-	874,078	26,195,549
Licenses and permits	566,245	-	-	-	-	-	566,245
Fines and penalties	1,043,012	-	-	-	-	694	1,043,706
Use of money and property	672,268	-	251,130	-	-	37,352	960,750
Interest on investments	-	20,128	-	182,820	551,768	31,598	786,314
Intergovernmental	-	-	26,303	-	-	2,748,245	2,774,548
Charges for services	4,947,676	-	-	29,358,643	17,043,907	1,244,758	52,594,984
Capital recovery fees	-	-	-	-	566,859	-	566,859
Grants	-	-	-	-	-	26,990	26,990
Transfers / indirect costs	321,812	-	-	207,333	19,167	323,229	871,541
Capital -related debt issued	128,823	-	1,800,000	-	-	-	1,928,823
Other revenues	507,766	-	469,041	10,250	-	4,000	991,057
Total Revenues	29,585,148	3,944,053	2,546,474	29,759,046	18,181,701	5,290,944	89,307,366
Available Resources	35,898,028	5,149,014	16,420,045	47,708,230	64,749,011	15,544,835	185,469,163

Major Expenses

Personnel services	19,280,298	-	-	2,084,480	2,661,188	101,195	24,127,161
Contracted services	4,257,487	-	-	21,591,329	3,297,145	97,594	29,243,555
Materials and supplies	1,779,237	-	-	1,075,257	1,134,052	7,511	3,996,057
Other charges	779,829	-	-	4,438,240	6,872,456	3,654,536	15,745,061
Capital outlay	493,605	-	5,392,830	-	-	36,559	5,922,994
Social services	305,000	-	-	-	-	-	305,000
Depreciation	-	-	-	669,787	2,693,410	489,597	3,852,794
Debt service	791,179	4,187,782	-	-	-	101,195	5,080,156
Operating transfers	734,295	-	3,335	-	388,688	214,264	1,340,582
Total Expenses	28,420,930	4,187,782	5,396,165	29,859,093	17,046,939	4,702,451	89,613,360

Ending Fund Balance 9/30/03	7,477,098	961,232	11,023,880	17,849,137	47,702,072	10,842,384	95,855,803
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Fund Balance Percentage	26.31%	22.95%	204.29%	59.78%	279.83%	230.57%	106.97%
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Our Journey Ahead

SUPPORTING ECONOMIC DEVELOPMENT

Our prime location in the heart of the Interstate 35 corridor between Austin and San Antonio places us in one of the fastest growing regions in the nation. Many businesses and industries are investing in San Marcos.

The City of San Marcos is committed to quality development and a high quality of life for all of our citizens. The City Council considers incentives to stimulate economic development in specific cases for the good of the community.

City leaders seek to diversify the industrial, commercial and tourism segments of our economy to build community wealth and create job opportunities for our citizens.

We support economic development by leveraging our assets, including infrastructure, services and funds, with state and federal programs to promote the retention and expansion of existing business and to attract new enterprises to San Marcos.

The City works closely with Texas State University,

San Marcos Independent School District and other educational institutions to promote educational opportunities to build a well-educated workforce. We strive to protect the natural beauty, historic heritage and unique environment of San Marcos to maintain our high quality of life.

The City of San Marcos offers professional, expert assistance to business and development applicants to assure that new facilities are matched to appropriate regulatory requirements, transportation access and available city infrastructure and resources.

TEXAS STATE UNIVERSITY

Texas State University-San Marcos was established in 1899 as a normal school to train teachers for service primarily in the southwestern reaches of the state.

While preparing teachers to educate future generations of Texans is still an important part of Texas State's mission, the university, like the region in which it resides, has grown in size and complexity over the years. The university currently enrolls more than 26,000

students in a wide range of academic disciplines, and degree programs are offered through the doctoral level.

For the past dozen years, Texas State has begun to play an increasingly dominant role in providing a well-trained workforce for the region's growing high tech industry, and signs of transition are readily apparent on campus.

The Roy F. and Joann Cole Mitte Art, Technology and Physics Complex opened at Texas State in 2003. The building houses a microchip fabrication facility in the Physics Department and is home to the Technology Department's innovative new manufacturing engineering program. Students in the Department of Art and Design learn in state-of-the-art computer graphics laboratories. Currently under construction is McCoy Hall, future home of Texas State's Emmett and Miriam McCoy College of Business Administration. It is scheduled to open in 2006.

Recent economic impact studies have shown that Texas State infuses almost \$400 million annually into the local economy.

SAN MARCOS FACT: THE CITY OF SAN MARCOS AND TEXAS STATE UNIVERSITY OPENED THE FIRST PUBLIC PROPANE FUELING STATION IN TEXAS FOR ALTERNATIVE FUELED VEHICLES.



BUILDING FOR TODAY & TOMORROW

The Capital Improvements Program provides a 10 year plan for deciding, designing, funding and building major infrastructure projects. More than 40 projects totaling \$28 million are included in the CIP for 2005. Some of the major projects that have been undertaken in the past year address significant transportation, utility and electrical projects in San Marcos.

Addressing transportation in the City remains the highest priority to the citizens. The recently completed Clovis Barker Drive, a five lane major arterial with access to I-35 and State Highway 123 has improved access to a fast-developing industrial area.

TRANSPORTATION

In conjunction with the Texas Department of Transportation, the City will modernize and synchronize the major traffic signals throughout the City. The \$1.6 million Traffic Signalization is scheduled to begin construction in early 2005.

The Wonder World Drive Overpass is a long-awaited state project that will build a railroad overpass spanning two sets of tracks on Wonder World Drive. The City has completed utility relocation associated with the project. The Texas Department of Transportation anticipates starting construction in 2005.

The Wonder World Drive Extension is another state-local partnership project which will extend Wonder World Drive from Hunter Road to Ranch Road 12 as a four-lane divided highway to improve access from points west of San Marcos to I-35 and to ease traffic congestion downtown. Environmental clearance for the project was completed in 2004, allowing for right-of-way acquisition and design process to begin in 2005. A construction date for the \$32 million project is pending funding by TxDOT.

Local City streets are also slated for improvement with the Craddock Ave, Post Road and Sessom/ Loop 82 Intersection Improvement projects scheduled to begin construction in late 2004.



NEW SCHOOLS FOR SAN MARCOS

San Marcos Consolidated Independent School District residents approved two bond propositions totaling \$122,745,000 on February 7, 2004 to modernize instructional facilities at San Marcos CISD for the 21st Century.

Proposition 1 provides \$79,945,000 for the construction of a new high school, improvements to Doris Miller Middle School, conversion of the existing high school into a middle school, conversion of Goodnight Junior High into an elementary school, conversion of Hernandez Intermediate into an elementary school, and the relocation of the transportation /maintenance facilities.

Proposition 2 will provide \$42,800,000 for a new elementary school to replace Bowie Elementary, renovations to De Zavala Elementary, a new elementary school to replace Crockett Elementary, a new school to replace Travis Elementary, and expansion of Pre-Kindergarten facilities.

"We had a good process that involved the stakeholders from the beginning," said Superintendent Dr. Sylvester Perez. "The facilities advisory committee did an excellent job in providing us with a 10 year master plan for San Marcos CISD," he added.

San Marcos CISD has 6,842 students, a staff of 1,015, and an annual budget of \$54.6 million.





The Craddock Avenue road project will widen the busy street from Ranch Road 12 to Bishop Street to a four lane divided arterial with a landscaped median and turn lanes. The project includes drainage, water, wastewater, sidewalks and a hike and bike trail.

The Post Road improvements will establish a two lane arterial with a center left turn lane, sidewalk and bicycle lanes. Water and drainage improvements are included in the project.

The Sessom/Loop82 Intersection Improvement project will construct a dedicated left turn from Loop 82 (University Drive) onto Sessom and dual left turn lanes from Sessoms to Loop 82. Signal improvements at Peques Street and Sessom are also included in the project.

UTILITY INFRASTRUCTURE

The City continues to meet the challenge of maintaining existing water and wastewater infrastructure while providing capacity for

growth. In 2004, the City completed the re-rating of the Surface Water Treatment Plant from 6 million gallons to 9 million gallons per day in treatment capacity. This project expands our ability to treat water for our community and provides capacity for future demand.

The McCarty Lane Interceptor and the I-35 Interceptor are two major wastewater projects that are bring sewer service to recently annexed areas in southwest and northeast San Marcos to serve growing areas of the community. Both are under construction in 2004 with completion anticipated early next year.

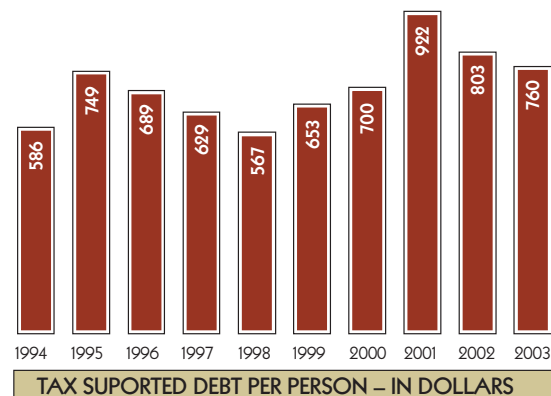
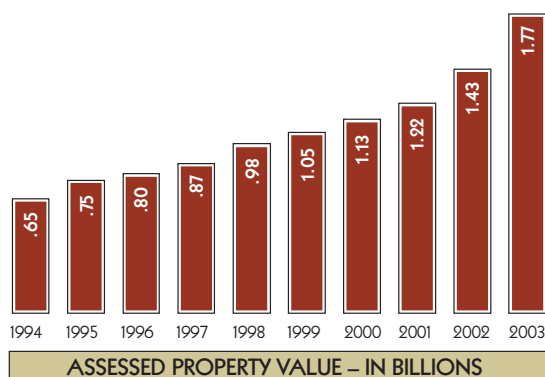
Improvements at the Wastewater Treatment Plant are underway to enhance treatment of wastewater by moving from a chemical treatment process to biological treatment. The project is also addressing odor issues with the goal of containing odors within the plant site and finding effective ways to dispose of solids from the treatment process.

The Riverside/ MKT wastewater interceptor has been designed to redirect wastewater from a significant part of San Marcos to the treatment plant.

The Purgatory Creek Water line will bring surface water to areas of the City which currently rely solely on ground water. This \$1 million project is critical for providing water to proposed developments in south San Marcos and is being funded through impact fees.

The Rio Vista Terrace project is replacing water, sewer and drainage lines in a San Marcos neighborhood. Street reconstruction is included in the scope.

The El Camino Real water transmission main project will bring water from the Surface Water Plant on Highway 21 to a fast-growing area along Highway 123. The 36-inch transmission main will start construction 2005. Phase 3 will continue the main to Posey Road in south San Marcos.





SUSTAINING TODAY'S BUSINESSES & BUILDING FOR THE FUTURE

SAN MARCOS AREA CHAMBER OF COMMERCE

The 102-year-old San Marcos Area Chamber promotes the economic vitality of San Marcos. The San Marcos Convention & Visitors Bureau and the Greater San Marcos Economic Development Council operate under the chamber's umbrella.

The chamber fosters economic development primarily by assisting and strengthening existing local businesses. Existing businesses add more jobs and provide more growth to the economy than do new employers entering the market. The chamber assists start-ups and established businesses with finance, marketing, record-keeping, compliance, human resources and other issues. Services are confidential, furnished at no

cost to participating businesses, and facilitated by the Texas State Small Business Development Center in cooperation with the chamber.

The chamber works with the Main Street Program in co-sponsoring six seminars a year tackling such subjects as customer service, marketing on the web, advertising on a small budget, and human resource issues.

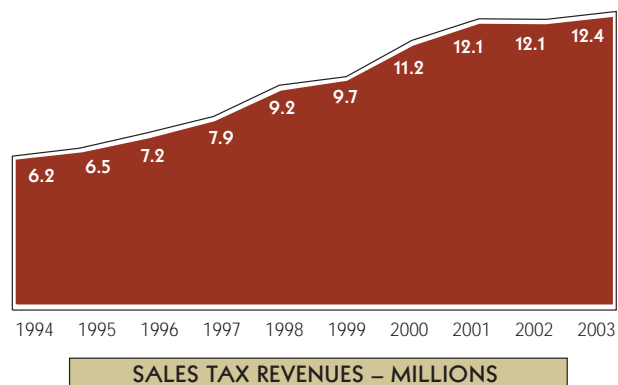
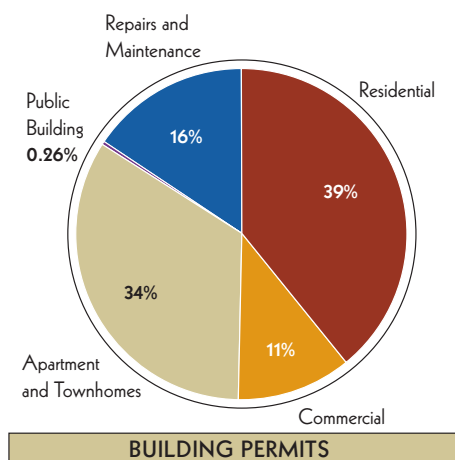
The most requested services offered by the chamber are networking opportunities and referrals, supported by monthly events and through the chamber's website, www.sanmarcostexas.com. The San Marcos Business Expo, the largest business marketing event held each year in San Marcos in August, showcases the products and services of 80-plus businesses to over 2,000 attendees at the San Marcos Activity Center. This event could not happen without the support and partnership of the City of San Marcos and its Parks & Recreation Department. The Area Chamber partners with the City on

many other activities, including the Tourist Information Center on I-35, tourism promotion, hosting economic development prospects in the community, and working in partnership to facilitate the needs of existing and potential local businesses.

HISPANIC CHAMBER

The San Marcos Hispanic Chamber of Commerce focuses on the business needs of minority and women-owned businesses, with the best interests of San Marcos in mind. The chamber provides support services for established businesses, such as counseling, seminars and technical assistance.

The chamber assists area businesses to become HUB-certified and have their businesses placed on a master-bidding list. Start-up and expanding businesses have access to lending seminars, loan briefings, and capital through a program with the SBA and Accion Texas.





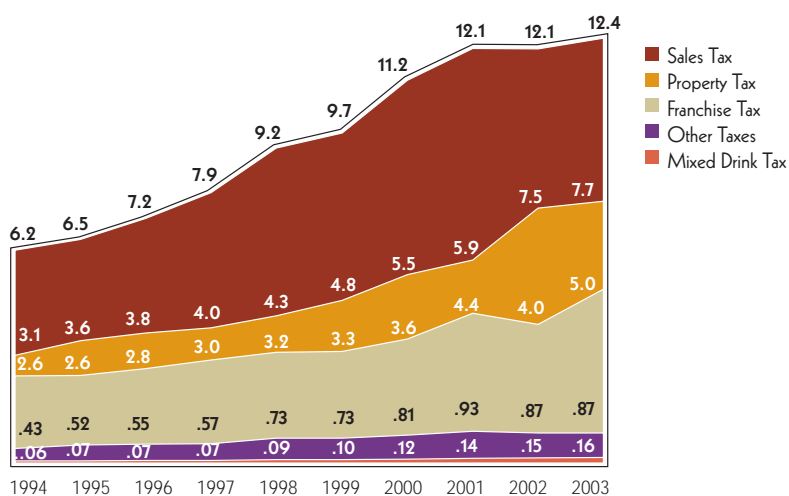
The Hispanic Chamber also plans trade missions and international trade seminars to foster international trade and investment with Mexico and Central America. Business After Hours Mixers, luncheons and the annual Business Women's Luncheon create a strong forum for businesses to network.

TOURISM AND CULTURAL EVENTS

Promoting San Marcos as a prime tourist destination for the Hispanic community is a primary goal of the San Marcos Hispanic Chamber of Commerce. The chamber actively advertises in select regions of Mexico promoting the City of San Marcos, the river and many places to stay, visit and shop.

The chamber has hosted delegations from the State of Tamaulipas, Mexico, Villa de Santiago, Nuevo Leon, and the City of Monclova, Coahuila. Promotional trips to regional, state and national conventions sponsored by the U.S. Hispanic Chamber of Commerce Convention, LULAC state convention, and TAMACC offer other ways to promote San Marcos.

Locally the Hispanic chamber sponsors cultural events inviting the Hispanic market, including theater productions and Mexican art exhibits. The annual Cinco de Mayo luncheon that kicks off the annual celebration features Mariachi Music, Ballet Folklorico and authentic Mexican cuisine.



TAX REVENUES ALL SOURCES – MILLIONS







Our Journey Team

THE SAN MARCOS JOURNEY TEAM

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Collette Jamison, Director of Administration
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San Marcos Journey

City of San Marcos
2004 Annual Report

